

Medicare Advantage policy issues

ISSUE: This paper provides an overview of the Medicare Advantage (MA) program that will begin in 2006 and the Commission's recommendations on payment and other policies.

KEY POINTS: We provide an overview of Medicare Advantage changes as a result of the Medicare Prescription Drug Improvement and Modernization Act (MMA). These changes include:

- The availability of new types of plans including regional preferred provider organizations and specialized plans.
- A new annual enrollment process.
- The provision of the Part D Medicare drug benefit by MA plans.
- A move to a competitive bidding process, albeit with bidding benchmarks based on the old administrative pricing system.

We discuss these changes in light of past Commission analyses of the MA program.

ACTION: The Commission will discuss these issues and provide its recommendations on the policies.

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